PROPOSAL EVALUATION

Proposition 84 Integrated Regional Water Management (IRWM) Grant Program

Implementation Grant, Round 1, FY 2010-2011

Applicant	Santa Barbara County Water Agency	**Amount Requested**	$3,000,996
Proposal Title	Santa Barbara County Region Prop 84 IRWM Implementation Grant Application - Round 1	**Total Proposal Cost**	$57,668,526

PROPOSAL SUMMARY

Seven projects are included in the proposal: (1) City of Lompoc, Lompoc Valley Leak Detection and Repair Project, (2) City of Santa Maria, Untreated Water Landscape Irrigation Project, (3) City of Santa Maria, Leak Watch Project, (4) City of Goleta, San Jose Creek Capacity Improvement and Fish Passage Project, (5) Central Coast Water Authority (CCWA), Water Supply Reliability and Infrastructure Improvement Project, (6) Goleta Sanitary District (GSD), Wastewater Treatment Plant Upgrade, and (7) City of Guadalupe, Recycled Water Feasibility Study.

PROPOSAL SCORE

Criteria	Score/ Points Possible	Criteria	Score/ Points Possible
Work Plan	**15/15**	Economic Analysis – Water Supply Costs and Benefits	**6/15**
Budget	**5/5**	Water Quality and Other Expected Benefits	**6/15**
Schedule	**5/5**	Economic Analysis – Flood Damage Reduction	**9/15**
Monitoring, Assessment, and Performance Measures	**4/5**	Program Preferences	**10/10**
		Total Score (max. possible = 85)	**60**

EVALUATION SUMMARY

The following is a review summary of the proposal.

Work Plan

The proposal fully addresses and supports the criterion with thorough and well presented documentation, and logical rationale. The work plan includes 5 goals and 6 objectives that came from review of the 2007 Santa Barbara County IRWM Plan. Exhibit 3.0-2 provides a concise table of the 7 projects with abstracts and status. There are good maps and air photos of the project locations. The different synergies and linkages are listed starting on page A3-19. The tasks for each project are broken down into detailed subtasks that seem manageable and follow the preceding task logically. The work plan also includes a tabulated overview of each project including: written abstracts; scientific and technical information supporting feasibility; the

design status for each project; plans & specs; permit status; and each project's readiness to proceed. Each multi-phased project can be operational, and standalone, without completion of later phases.

Budget

The budgets for all projects are reasonable, have detailed cost information, and are thoroughly supported. All the work items in the summary budget, and individual project budgets, correlate directly to the work plan. The anticipated costs for each project are reasonable and substantiated with supporting documentation in Appendix 4 of the application. Each project's costs are supported by documentation which include in-kind and consultant services, employee job title, estimated hours for the project, and hourly salary rate. Projects that will be constructed have good breakdowns of costs: materials and excavation by unit (ex. LF, SF, CY), labor costs by employee (hours needed, hourly cost), and other items such as easement purchase.

Schedule

The Schedule is consistent and reasonable, corresponds to the tasks in the work plan. Five of the seven projects can begin within six months of the grant agreement being initiated (12/1/2011).

Monitoring, Assessment, and Performance Measures

The criteria is fully addressed, but is not supported by sufficient rationale or thorough documentation. All projects are consistent with the basin plan. In general, each project has a good summary table of output and outcome indicators. For example, Exhibit 6.3-1, page A6-14, has easily understandable desired outcomes, and this project has targets that are feasible during the life of the Proposal given the descriptive monitoring plan. However, a couple of outcome indicators were not well documented. Project 4 needs additional quantitative measurements as part of its monitoring plans. The narrative in Attachment 6 describes the outcome indicator as "An increase in steelhead swimming upstream" and its target as "A measurable increase in steelhead swimming up San Jose Creek past the channelized section." There should be a better explanation of what a measurable increase would be. There should be quantitative figures in the Project 5 monitoring plan for the planned flowmeter and hydrostatic protocols. For example, in order to reconcile delivery volumes by flowmeter at the start and end of the pipeline, what percent drop in flow would indicate pipeline leakage? For the hydrostatic pressure test, what pound per square inch (psi) would the isolated pipeline be pressurized at, and what drop in psi would indicate a leak?

Economic Analysis – Water Supply Costs and Benefits

Average levels of water supply benefits can be realized through this proposal, as demonstrated by the analysis and supporting documentation. Total monetized water supply benefits are $2.576 million (M). Projects 1 ($1.142 M), Project 2 ($454,421), Project 3 ($448,307), and Project 5 ($531,587) claim water supply benefits.

Project 1 benefits are based on avoided groundwater pumping, avoided water treatment costs and avoided power costs. City of Lompoc avoids pumping 43 acre feet per year (AFY) @ $879 per AF. Mission Hills Community Services District (CSD) avoids pumping 57 AFY @ $218 per AF. Vandenberg Village CSD avoids pumping 113 AFY @ $331 per AF.

Project 2 benefits are based on avoided purchases of State Water Project (SWP) water at $1,325 per AF and avoided groundwater pumping at $75 per AF. This data used for this analysis was not well supported.

Project 5 involves repairing/replacing a supply pipeline that is at risk of catastrophic failure. If the pipeline fails, the CCWA would lose 3,014.5 AF of SWP water that it is obliged to pay for and 835 AF to nitrification. The value of this lost water is $125,953.60. The application's analysis defines a probability of the catastrophic loss occurring at 20% per year, the analysis implicitly assumes that the catastrophic failure, which is expected to occur because of an exposed pipeline, will happen several times over the lifetime of the project. It is not clear why the catastrophic failure would occur more than once. The benefit is overstated. The applicant did not provide costs or benefits for Project 7.

Economic Analysis – Water Quality and Other Expected Benefits

Average levels of water quality benefits can be realized through this proposal, as demonstrated by the analysis and supporting documentation. Project 1 provides qualitative description air quality benefits from reduced groundwater pumping, including a reduction of 2.9 million pounds of carbon dioxide.

For Project 2, the applicant claims avoided damages to residential appliances and avoided landscaping costs in the amount of $980,026. This is sizable compared to the proposal cost.

Project 3 will improve water quality by increasing the proportion of SWP water in its water supply. The higher water quality will reduce damages to residential appliances. The benefit claimed is $354,818. By automating the water meter system, Santa Maria will reduce staffing costs, estimated at $930,089 over the life of the project. Water quality and other benefits claimed from this project equal $1,284,907.

For Project 4, some aesthetics benefits notes, but nothing quantified. For Project 5, the application claims avoided repair costs of $392,399, but once again, it appears to assume that a catastrophic failure occurs more than once. For Project 6, the application claims benefit from avoided operations costs of $3,876,767 and avoided water quality fines of $881,640. The avoided water quality fines are not an acceptable benefit. For Project 7, the application did not provide costs of the feasibility study. Benefits were discussed qualitatively, which is acceptable. It is not acceptable not to provide the cost of the feasibility study.

Economic Analysis – Flood Damage Reduction

Average levels of flood damage reduction (FDR) benefits can be realized through this proposal, as demonstrated by the analysis and supporting documentation. For example, Project 4 is the only project in the proposal that has FDR Benefits. The project is expected to increase flood conveyance capacity, reduce flood hazard and provide fish passage for migrating endangered steelhead trout. The Flood Damage Reduction Benefits are estimated to be $54,252,000. The analysis and supporting documentation lack detail.

Program Preferences

The Proposal includes seven projects that collectively will implement multiple Program Preferences including: Include regional projects or programs, effectively integrate water management programs and projects within hydrologic region, Effectively resolve significant water-related conflicts within or between regions, Address critical water supply or water quality needs of disadvantaged communities within the region, Drought preparedness, use and reuse water more efficiently, Expand environmental stewardship, Practice integrated flood management, Protect surface water and groundwater quality, Improve tribal water and natural resources, and Ensure equitable distribution of benefits.